MINNESOTA
PUBLIC UTILITIES COMMISSION

Staff Briefing Papers

Meeting Date	February 24, 2022	Agenda Item 3**
Company	Minnesota Power	
Docket No.	**E-015/M-20-900**	
	In the Matter of Minnesota Power's Request for Approval of its 2021 Transmission Factors under its Transmission Cost Recovery Rider	
Issues	1. Should the proposed charges under the Transmission Cost Recovery Rider be approved?	
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The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

✓ **Relevant Documents**	**Date**
Minnesota Power – Initial Filing	December 28, 2020
Department of Commerce – Comments	June 18, 2021
Minnesota Power – Reply Comments	July 14, 2021
Department of Commerce – Response Comments	August 6, 2021
Minnesota Power – Supplemental Comments	August 25, 2021

I. Statement of the Issues

Should the proposed charges under the Transmission Cost Recovery Rider be approved?

II. Background

A. Relevant Statute

Recovery of costs through rate riders is an exception to the traditional ratemaking process. Riders allow a utility to recover cost changes that arise outside of the test year used to establish the utility's authorized rates. The process for recovery through a rider involves two components: the utility must obtain approval to recover costs through a rider, and it must establish that the costs incurred were reasonable and prudent.

The TCR mechanism has been established in statute to allow cost recovery for projects associated with large new transmission facilities. Under Minn. Stat. §216B.16, subd. 7a, the transmission cost adjustment statute, the Commission may authorize a "tariff mechanism" that allows a utility to recover through a Transmission Cost Recovery Rider (TCRR) Minnesota jurisdictional costs of new transmission facilities approved through a certificate of need or under the state transmission plan, and the charges incurred by a utility under a federally approved tariff that accrue from other transmission owners' regionally planned transmission projects that have been determined by the Midcontinent Independent System Operator (MISO) to benefit the utility or the integrated transmission system.

Minn. Stat. § 216B.16, subd. 7b(b), states the Commission may approve, reject, or modify, after notice and comment, a tariff that:

- Allows a utility to recover on a timely basis the costs net of revenues of facilities approved under section § 216B.243 (Certificate of Need) or certified or deemed to be certified under section § 216B.2425 (State Transmission Plan); or exempt from the requirements of section § 216B.243;
- Charges incurred under a federally approved tariff that accrue from other transmission owners' regionally planned transmission projects that have been determined by MISO to benefit the utility or integrated transmission system. These charges must be reduced or offset by revenues received by the utility and by amounts the utility charges to other regional transmission owners for the new transmission facilities, to the extent those revenue and charges have not been otherwise offset.
- New transmission facilities to be constructed in another state, when approved by that state and determined by MISO to benefit the utility or integrated transmission system;
- Allows a return on investment at the level approved in the utility's last general rate case, unless a different return is found to be consistent with the public interest;

- Provides a current return on construction work in progress, if recovery of the allowance for funds used during construction is not recovered elsewhere.

B. History of Minnesota Power TCRR Filings

2007 Transmission Factors

On December 7, 2007, the Minnesota Public Utilities Commission (Commission) issued an Order approving Minnesota Power's first Transmission Cost Recovery Rider (TCR Rider) and related rate adjustment factors in Docket No. E-015/M-07-965. The Company designed the rider to recover its share of the Tower to Embarrass (Tower project) and the Badoura to Pequot Lakes project (Badoura project). The projects were developed to address transmission inadequacies in northeastern and north central Minnesota, and to provide regional transmission benefits through increased voltage support and additional line capacity. The projects are jointly owned by Minnesota Power and Great River Energy. The Commission previously certified the projects as priority electric transmission projects under § 216B.2425 (State Transmission Plan) in its May 25, 2006 Order in Docket No. ET-2, E-015/TL-05-867.

2009 Transmission Factors

On June 23, 2009, the Commission issued an Order approving MP's first update to its rate adjustment factors (2009 Transmission Factors) under its TCR Rider in Docket No. E-015/M-08- 1176. The Company requested recovery of its share of the Tower project and the Badoura project. The Company initially used the rate of return and allocation factors that were determined in the last rate case, which was filed in 1994. The Commission ordered the Company to recalculate the rider factors using the determinations made in the Company's 2008 rate case. The Commission approved inclusion of Regional Expansion Criteria and Benefits (RECB) charges incurred in the rider and required the Company to also include RECB revenues as an offset to cost recovery.

The Tower project was completed and rolled into rate base as part of the 2008 rate case and is no longer included in the rider. The completed portions of the Badoura project were also rolled into rate base at that time. The uncompleted section of the Badoura project was not included in rate base. In the then current TCR rider, the Company included two other Badoura projects, for a total of three Badoura project segments.

2008 General Rate Case

On November 12, 2009, MP filed its final rate book reflecting rates approved in its 2008 General Rate Case, E-015/M-08-415. This update, revision 2 to the TCRR did not change TCRR Rates.

2010 Transmission Factors

On May 11, 2011, the Commission issued its Order in Docket No. E-015/M-10-799. The Company requested cost recovery for the Badoura project, two new CapX2020 projects (Bemidji to Grand Rapids and Fargo to St. Cloud) and RECB charges. Minnesota Power was also authorized to keep its existing 2009 Transmission Factor on customer bills since the 2009 Transmission Factor was not substantively different from the 2010 Transmission Factor and the Company anticipated filing for approval of its 2011 Transmission Factor shortly after approval of its 2010 Factor.

2011 Transmission Factors

On November 12, 2013, the Commission issued its Order approving MP's third update to its rate adjustment factors (2011 Transmission Factors) under its TCR Rider in Docket No. E-015/M-11-695. The Company requested recovery of costs associated with the Badoura project; CapX 2020 projects - Bemidji to Grand Rapids, Fargo to St. Cloud, and St. Cloud to Monticello; and RECB charges. The Commission allowed recovery of the project costs and RECB charges but modified the Company's 2011 TCR Factor calculation as follows:

- The Company shall use a hybrid approach when accounting for net operating losses (NOLs) in its riders. That is, the NOL accumulated deferred income tax asset amount added to rate base each year should be based on the lower of the stand-alone and consolidated methods. The use of the consolidated method of tax calculation only applies to a rider with an NOL included in the calculation.
- The Company shall continue to exclude internal capitalized costs from recovery through its riders.

The Commission also granted the Company's petition to withdraw its request to adjust the billing factor adjustment in this docket. The 2009 approved factor for billing purposes remained in effect.

Additionally, in its November 12, 2013 Order, the Commission required Minnesota Power to:

- Update its transmission cost recovery tracker balances and projected revenue requirements to calculate a billing factor adjustment when the Company files its next Transmission Cost Recovery Factor Filing.
- Continue to document actual charges and actual revenue offsets to its revenue requirements under the Regional Expansion Criteria Benefits cost-allocation process adopted by the Midcontinent Independent System Operator and to specifically identify such charges and offsets in all future Transmission Cost Recovery filings.

2014 Transmission Factors

On February 23, 2015, the Commission issued its Order in Docket No. E-015/M-14-337. The Commission required the Company to:

- Exclude the revenue requirements associated with its NERC Alert Projects from recovery through the TCR rider.
- Include Multi-Value Projects Auction Revenue Rights revenues in the tracker and to reflect the Multi-Value Projects Auction Revenue Rights in future filings and TCR factor calculations.

The Commission approved the inclusion of the proposed annual revenue requirements and true-up tracker balance in the 2014 TCR rider rate factors.

2015 Transmission Factors

On February 3, 2016, the Commission issued its Order in Docket No. E-015/M-15-472, approving the fourth update to MP's TCRR. The Commission required the Company to exclude its 39 Line and the Deer River Project from its TCRR.

2016 Rate Case

In Docket No. E015-GR-16-664, Minnesota Power committed to either file updated factor filings for current cost recovery riders, including the TCRR, or zero out the existing base-rate sub-factors coincident with final rates. On August 7, 2018, Minnesota Power filed the fifth update to its TCRR, reflecting this commitment.

2019 Transmission Factors

On December 3, 2020, the Commission issued its order in Docket No. E-015/M-19-440, approving the 6th update to its TCRR, and the with new transmission assets since the 2016 rate case. In this order, the Commission approved recovery of 2015-2018 transmission costs, but ordered MP to file TCRR updates annually in the future, regardless of the status of the prior year's petition.

C. Minnesota Power's Current TCRR Filing

Summary of Minnesota Power TCRR Rate History

Docket	Date	Project	Large Power – Demand ($/kW-month)	Large Power – Energy (cents/kWh)	All Other Classes - Energy (cents/kWh)	Revision
E-015/M-07-965	7-Dec-07	TCRR Rider	0.03	0.003	0.01	Original
E-015/M-08-1176	23-Jun-09	TCRR Rider	0.13	0.013	0.033	1
E-015/GR-08-415	12-Nov-09	General Rate Case	0.13	0.013	0.033	2
E-015/M-10-799	11-May-11	TCRR Rider - No Change				
E-015/M-11-695	12-Nov-13	TCRR Rider - No Change				
E-015/M-14-337	23-Feb-15	TCRR Rider	0.79	0.075	0.216	3
E-015/M-15-472	3-Feb-16	TCRR Rider	1.23	0.117	0.341	4
E-015/GR-16-664	7-Aug-18	General Rate Case	0.67	0.064	0.193	5
E-015/M-19-440	3-Dec-20	TCRR Rider	1.54	0.170	0.326	6(current)
E-015/M-20-900		**TCRR Rider – Proposed**	**3.56**	**0.363**	**0.742**	**7(proposed)**

On December 28, 2020, Minnesota Power submitted its Transmission Cost Recovery filing and requested the Commission approve cost recovery of eligible projects and a factor to be charged to customers on their monthly bills. The revenue requirement consists of carry-over of prior projects, plus additional recovery from the following projects.

<u>Dog Lake Project</u>

The Dog Lake Project supports a CoN and Route Permit granted to Minnesota Power and Great River Energy on March 23, 2016 to construct a new 115 kV transmission line and associated facilities in the Motley area[1]. Minnesota Power is requesting recovery for modifications to the Dog Lake Substation and related infrastructure creating a revenue requirement totaling $318,729. The entire project was energized and placed in

[1] Docket No. ET-2, E-15/CN-14-853, *In the Matter of the Joint Application of Great River Energy and Minnesota Power for a Certificate of Need for the Motley-Area 115 kV Transmission Line Project in Morrison, Cass, and Todd Counties,* & Docket No. ET-2, E-15/CN-15-204, *In the Matter of the Joint Application of Great River Energy and Minnesota Power for a Route Permit for the Motley-Area 115 kV Transmission Line Project in Morrison, Cass, and Todd Counties.*

service in 2017. A small ($14,121) cost in excess of the Commission approved budget for the project is included in MP's rate case filing, but not in the TCRR.

Great Northern Transmission Line

The GNTL is a new 224 mile 500kV interconnection between Manitoba and Minnesota, designed to facilitate 883 MW of incremental transfer capacity between Manitoba and the United States, including 383 MW of hydropower and wind storage energy product to serve Minnesota energy customers[2]. In compliance with the terms of MP's 250 MW PPA and 133 MW Renewable Energy Optimization Agreement with Manitoba Hydro, these new facilities went into service on June 1, 2020.

GNTL was originally projected to cost between $557.9 and 710.1 million in 2013 dollars. The final cost was $587.3 million in 2013 dollars, which escalates to $663.8 million in nominal (current year) dollars. Initially, Manitoba Hydro and Minnesota Power planned to share ownership in the GNTL, with a 49/51 split specified in the Facilities Construction Agreement with MISO, but in 2016, Minnesota Power took over full ownership of the US portion of the line, with Manitoba Hydro retaining full ownership of the Canadian project.

Manitoba Hydro is responsible for providing 54% of the financial investment in the GNTL, in the form of Contributions in Aid of Construction. Additionally, revenue from the monthly Must Take Fee Credit negotiated with Manitoba Hydro will be credited against transmission costs. The Fee is intended to cover the estimated costs and expenses incurred over the life of the project, associated with delivery of up to 133 MW of carbon-free power via the GNTL. This fee will be applied to Transmission costs to offset 17.7% of overall costs, leaving ratepayers with a 28.3% share of costs, as required by the Commission Order in the Certificate of Need docket.

Permitting on the GNTL began in October 2013 and were completed with right-of-way approval from US Fish and Wildlife Service in January 2017. Design activity began in October 2014 and are ongoing, with only substation and compensation station design efforts still to complete. Procurement began in January 2017, resulting in over 600 contracts, with some contracting still outstanding.

Construction was divided into four segments, and has progressed on schedule for April 2020 testing and commission activities, with favorable (i.e. cold) weather conditions in winter 2018 and 2019 aiding in construction activities across the large marshlands much of the transmission line traverses.

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[2] Docket No. E-015/TL-14-21*, In the Matter of the Application of Minnesota Power for a Route Permit for the Great Northern 500kV Transmission Line Project in Roseau, Lake of the Woods, Beltrami, Koochiching, and Itasca Counties*, and Docket No. E-015/CN-12-1163, *In the Matter of the Request of Minnesota Power for a Certificate of Need for the Great Northern Transmission Line.*

Manitoba Hydro developed the Manitoba-Minnesota Transmission Project, to which GNTL ties at the Canadian Border. MMTP was delayed by consultations with First Nations groups, but still completed construction by June 2020.

There are two costs which are 100% attributed to Minnesota Power. First is the Iron Range Material Storage Building (IRMSB), which is used to store spares and equipment necessary for support, maintenance, and repair of the GNTL. Since MP does not have other transmission lines of the size of GNTL, some of this equipment and material is used only for the GNTL and the associated Iron Range 500 kV substation. MP is reimbursed for these costs by Manitoba Ltd., and the payments are passed on to MP customers.

The second cost center 100% assigned to MP is a set of charges which were adjudicated by a Committee of Manitoba Ltd and MP representatives as not to be proportionally allocated based on the contract. These costs total $1.9 million, a majority of which, $1.0 million, are legal costs.

MISO Charges

Consistent with Minn Stat. § 216B.16, subd. 7b(b), MP is requesting cost recovery on its MISO new transmission facility charges. MP documents its actual 2018 RECB charges and revenues from MISO. MP is projecting $19,218,064 in revenues from RECB in 2021, and $32,133,534 in expenses, for a net expense of $12,915,470, of which $10,682,773 is Minnesota ratepayer jurisdictional. MP is also including MVP ARR auction revenues of $50,000 as a reduction in the revenue requirement.

Tracker Mechanism

MP has instituted a tracker mechanism to account for the balance of revenue requirements and revenue collected through the rider. This tracker goes back to 2011, and had a balance of $35,962,077 at the end of 2020 comprising approximately $24.6 million for Large Power and a $11.4 million from all other classes. In this filing MP uses this balance as the starting balance for setting the new rider rates.

Accounting Matters

Return on equity for all components is based on MP's last rate case, Docket E015/GR-16-664. Interest expense will similarly be based on the cost of debt calculated in the rate case. Income tax is calculated as 28.742%/(1-28.742%) times return on equity. Depreciation is calculated on a 'straight line' basis over the lives of the various projects and will being as assets are placed in service.

MP is allocating all costs and revenues included in the TCRR between the Large Power class and all other classes based on the transmission demand allocator in the last rate case. Because all other customer classes pay the same rate, an energy charge, in essence the costs are allocated among the other customer classes (including Residential, General Service, Large Lighting and Power, Municipal Pumping, and Lighting) using an energy allocator.

III. Parties' Comments

Stephen Collins of the Department of Commerce, Division of Energy Resources (Department) provided comments and made preliminary recommendations on June 18, 2021. The Department requested that MP provided responses to several questions in their reply comments.

Minnesota Power provided reply comments on July 14, 2021, answering the Department's requests and providing additional information on issues raised by the Department.

The Department filed its response to reply comments with its final recommendation on August 6, 2021, and MP filed supplemental comments in response to the final recommendation on August 25, 2021.

Dog Lake

The Department agrees with MP's calculations of the capital cost of the Dog Lake Project and agrees to recovery based on a capitalization of $3,357,384, and that Dog Lake is eligible for recovery through the TCRR. The Department requested that MP provide an explanation and calculations for the requested property tax amounts listed in MP's Exhibit B-3, pages 1-15.

Minnesota Power provided those calculations in reply comments.

Great Northern Transmission Line

The Department generally agrees with MP's calculations of recovery for the GNTL, but requested additional information on property tax and O&M calculations and requested that MP provide a clear explanation for why the property tax and O&M included were consistent with the TCR statute, which MP provided in reply comments. The Department also made the following recommendations as to adjustments:

a. Limit TCRR recovery of costs from the Iron Range Material Storage Building to 28.3% of total capital costs and 33% of total O&M costs, consistent with Commission order on recovery of costs from the GNTL. In addition, the Department requested additional information from MP on whether the IRMSB was the least cost option relative to any other considered options.
b. Back out internal costs similar to those backed out in other projects in the GNTL.
c. Reject recovery of the $1.9 million in 'non-Manitoba Ltd. charges', or if the Commission allows recovery, limit recovery to 28.3% of capital costs and 33% of O&M costs.

In response, Minnesota Power provided the requested explanations and noted that the 28.3% limit is on total project spending, not on individual constituent parts of the project. MP believes that, since they aren't getting recovery of costs from the IRMSB from Manitoba, they should recover it at 100%, in part because the overall total capital costs are well below the $201 million soft cap.

Similarly, MP believes that recovery of the $1.9 million in 'non-Manitoba Ltd. charges' should not be limited to 28.3% for the same reason. MP justified recovery by noting that these costs were incurred after the most recent rate case, so recovery of these internal labor costs was not included in base rates.

For consistency, MP agreed to 'back out' internal costs related to the IRMSB.

The Department agreed with MP's argument that it is under the $201 million cap withdrew its objections to recovery of the non-Manitoba Ltd. costs and the IRMSB costs. The Department does still recommend excluding approximately $0.5 million in internal costs, which MP agreed to in its reply and response comments.

<u>MISO Expenses and Revenues</u>

The Department requested that, MP provide in reply comments, MP provide an exhibit or other information connecting the information in Exhibit B-1 with the revenue and charges provided in Exhibit C-1, relative to MISO revenues and expenses. The Department also requested that MP provide, in reply comments, a full linkage, with explanation, between the RECB (i.e. MISO) revenue requirement shown in Exhibit B-5 and the revenues and charges confirmed by MISO in Exhibit C-1. Finally, the Department recommended that MP be required to incorporate actual net RECB expenses before implementing an updated transmission factor.

The Department also requested additional documentation of ARR credits and Schedule 9 credits it has received.

In reply, MP disagreed that updating RECB expenses to actuals before implementing the updated factor is necessary because the tracker will already catch such adjustments by including actual RECB expenses and revenues.

In response, the Department noted that, though this is correct, it is also correct that trueing up sooner, rather than later, results in more accurate results. Therefore, the Department maintained its recommendation that the Commission require MP to incorporate updated actual net RECB expenses before implementing an updated transmission factor.

Minnesota Power observed that updating the RECB data at the end of one TCRR docket will necessarily modify its next TCRR. Given that TCRR's have historically been known to overlap, this would overly complicate both the current and the next TCRR docket and reiterated that this sort of complication and delay is why MP is under-recovered by $30 million in its tracker. MP thus opposed requiring updated RECB expenses before implementation of the updated factor.

Additional information requests

Addition, the Department requested that MP provide the following:

a. An explanation connecting calculations of base rate revenue credits in Exhibit B-6 to the totals shown in Exhibit B-1 and B-2.
b. An estimate of the Company's embedded cost of debt and capital structure for 2021.
c. Resettlements of FERC transmission rates due to changes in ROE ordered in Opinion No. 569, 569-A, and 569-B, including:
    i. Total resettlements to date
    ii. Estimation of how including them would affect the rider
    iii. When MP expects resettlements to be complete in MISO
    iv. Whether MP could include estimated resettlements for 2021 and then adjust to actuals in future filings
d. A description or reference to where MP provided response to Order Point 7 of the 2019 TCRR Order:

> 7. Minnesota Power shall file in their Transmission Cost Recovery Factor filing, annually, descriptions of all potential eligible projects that they will seek recovery for in the future, and the impacts those projects will have on the Transmission Cost Recovery Rider

In reply comments, Minnesota Power provided detailed descriptions and documentation in response to all of the Department requests.

Accumulated Deferred Income Tax

In order to mitigate the effects of proration of Accumulated Deferred Income Tax (ADIT), the Department recommended that MP be required to implement its updated transmission factor effective January 1, 2022, or the first day of the month following the Commission's Order in this docket, whichever is later.

MP disagreed with the Department recommendation on ADIT. MP noted that ADIT was not prorated in the 2021 TCR factor, because of the likelihood based on past factors that implementation would not occur until after 2021. MP also noted that delayed past factors are part of the reason the tracker balance is relatively high, and thinks that delaying implementation unnecessarily would perpetuate continued large rate increases in future TCRRs. MP also notes that January 1, 2022 is expected to be the implementation date for interim rates in its next rate case, and so stacking the two increases on the same date could exacerbate rate shock. MP thus opposed delay of implementation of the factor.

Cost of Debt

The Department requested that MP provide its estimate of the Company's embedded cost of debt and capital structure for 2021, which MP provided in Reply. In response, the Department found that the Company's actual cost of debt in 2021 is 4.37%, and in 2020 was 4.43%, which exceeds the cost of debt of 4.517% from MP's most recent adjudicated rate case, which was included in the proposal. The Department recommended that MP be required to update its cost of debt in the filing to reflect the actuals for 2020 and 2021. The Department reiterated this position in Response Comments.

In response, MP noted that the historical practice in all Commission-approved riders is the use of cost of debt, cost of capital, and capital structure from the most recent approved rate case. MP cited the orders in its 2019 TCR petition, dated December 3, 2020, and the 2020 Solar Renewable Factor Petition, dated April 20, 2021, as using this standard. MP notes that Minn Stat. § 216B.16 subd. 7b(b)(6) "allows a return on investment at the level approved in the utility's last general rate case, unless a different return is found to be consistent with the public interest". MP argued that the Department has provided no evidence or argument that MP's current authorized cost of debt is inconsistent with the public interest, and that the determination of embedded capital costs for ratemaking is a detailed undertaking best undertaken in the context of a thorough, rigorous rate case proceeding. MP thus opposed updating the cost of debt from the rate case-approved 4.517% to the 2020 or 2021 actuals.

Future additions to TCRR

In Reply Comments, MP noted one change to its future TCRR plans – the Duluth Loop Reliability Project, for which it has recently filed its combined application for a Certificate of Need and Route Permit[3]. The project is scheduled to enter service in 2025, and there will likely be estimated costs included in the 2022 TCRR petition. This project was not far enough along in the planning stages at the time this petition was filed to include a description at that time but, if the petition had been filed at the time of Reply Comments, MP stated it would have included it in response to Order Point 7 of the 2019 TCRR Order.

Cost Allocation

The Department found that the TCRR is properly allocated to rate class, and that the Tracker has been correctly updated and calculated.

[3] Docket No. E-015/CN-21-140, *In the Matter of the Application of Minnesota Power for a Certificate of Need for the Duluth Loop Reliability Project in St. Louis County,* application filed October 21, 2021.

IV. Staff Analysis

Staff notes that it has not been Commission precedent to update the cost of debt or RECB expenses to actuals at the end of a TCRR proceeding. Statute calls for the use of the most recent adjudicated rate case as source for all cost of capital components (cost of debt, cost of equity, capital structure) unless the public interest is served by an update. In Staff's opinion, public interest would be served by changing any of these components outside of rate case review only in the event that significant economic changes have resulted in major changes to one or more of those components, in which case an immediate rate case would likely be also in the public interest. Because the changes in this case are relatively small (a couple of tenths of a percent) Staff does not believe the public interest is served by updating a single component of the cost of capital outside of rate case review.

Staff also notes that updating RECB expenses at this time – after parties have had their opportunity to review the numbers – introduces a risk of a calculation error or erroneous cost being included in TCRR recovery. It is better to have the actual RECB expenses be evaluated through the tracker system, where MP has as much time as it needs to review the calculations prior to filing the TCRR update, and parties have adequate time to review MP's filing prior to Comments, rather than to rush the process at the end. MP is likely to file its next TCRR before an order is issued in this case, so if the Parties want to get a jump on reviewing the updated data and accelerate the process of getting the new TCRR with updated numbers on the books, they will have the opportunity.

Staff notes and agrees with MP's comments that delayed TCRR review in past dockets has been a factor in the large tracker balance and acknowledges that Staff is also party to the delay that this docket has seen in the review process.

V. Decision Alternatives

1. Approve MP's petition as filed, backing out internal cost recovery for the Iron Range Material Storage Building as agreed by both parties in Response Comments. (MP)

2. Approve MP's petition with the following modifications:
   a) Require MP to update the RECB expenses to actuals before implementing the TCRR. (Department)
   b) Require MP to modify its cost of debt from the 4.517% approved in the last rate case to 4.37% for 2021 and 4.43% for 2020. (Department
   c) Require MP to implement its updated Transmission Factor effective January 1, 2022 or the first day of the month following the Commission's Order in this docket. (Department)

d) Require MP to back-out internal cost recovery for the Iron Range Material Storage Building. (Department, MP)

3. Require MP to file compliance tariffs reflecting the modifications adopted in the order.

4. Take any alternative action as ruled by the Commission.